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SECURITY INFORMATION**CIA INTERNAL USE ONLY**

1 October 1953

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Discussion with [REDACTED]

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1. [REDACTED] devoted his extemporaneous remarks to developments in the Soviet Union since Stalin's death. He said that in order to comprehend the meaning of the death, it was necessary to have comprehension of the system which Stalin himself had created — a system under which the USSR had become "Stalin's private property," subject to the will and the whim of an old man who was vain, pathologically afraid of rivals, intolerant of any sort of criticism, and subject to violent rages.

2. He said that with Stalin gone, it became necessary for his associates, who had grown "tired of him" and apprehensive of the results of his policies, to "reorganize the dictatorship." He believed that developments should be viewed in this light more than as evidences of a struggle for power. He felt that the West had concentrated too much on this latter theory, and doubted that Malenkov's position had ever been threatened. He credited the present regime with a genuine interest in avoiding the creation of a new Fuehrer, hence its efforts at a "Lenin" type of dictatorship in which power can be delegated, and the emphasis on collective responsibility. He credited the new regime with "a very clever job of shrinking Joe down to size — his head now being about the size of an orange," but underlined that this by no means meant the disappearance of Stalin as a figure. It meant, [REDACTED] said, 25X1A5a1 that he was no longer portrayed as a great dispenser of doctrine, but would have his place as the associate and successor of Lenin.

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3. [REDACTED] the great difficulty facing the new regime in its efforts to uproot the artificialities of the Stalin regime was whether or not that rule "was a tumor or a cancer," in other words whether it could be eliminated without seriously dislocating everything.

4. In enumerating the steps taken by the new regime, [REDACTED] made 25X1A5a1 the following points:

- A. It had de-emphasized the Party committee secretaries, making it clear that "they are the servants of the committees, not their masters."
- B. It had brought the MVD under control and reduced its influence in many ways, including removal of concentration camps from its jurisdiction to that of the Ministry of Justice. He pointed out in this connection that at the moment there was perhaps some doubt as to whether the MVD still controlled its armed units.

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- C. It had endeavored in several fields, notably in the new emphasis on consumer goods and in promised agricultural reforms, to give the people a feeling of security.

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5. "You may still see one man emerge as the dominant figure," [redacted] said, "but at the moment the new men are trying to avoid the Stalin type of rule which requires a general atmosphere of terror and involves keeping everyone, including your closest associates, in a state of complete insecurity. You might call this the government of Warren G. Malenkov (and the return to normalcy)." He added that he felt Malenkov "wants to make the joint work better as a team" but that this of course did not mean that the USSR was not still a thoroughgoing police state, with all the basic controls which that implies. People who bucked the system would be ruthlessly dealt with, but those who "stayed off the grass" would be reasonably secure against capricious arrest.

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6. [redacted] he felt that Malenkov had been very honest in his public remarks on the state of the Soviet economy and very specific as opposed to the vague generalization of Stalin's era, and that Krushchev had been honest as well in his speech on agriculture. He pointed out that there was a strong effort to end the years of peasant resistance in the introduction of crop price supports and in the provision for smaller forced deliveries. He said the new agricultural policy is designed to appeal to peasant self-interest and may mark a distinct shift in policy akin to the promulgation of NEP. He did pose the question of peasant reaction under the new policy of greater individual security after years of sullen opposition to agricultural policy, and said that the regime obviously had this question in mind and would be careful not to let the peasants get out of control.

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7. "It would seem," [redacted] "that they have come to the conclusion that they now have the required industrial base and can move ahead along two lines: a slower development of heavy industry and an effort to close the long existing gaps in the matter of consumer goods and agricultural policy which have had such a weakening effect."

8. He saw "a little more common sense" in foreign policy, but no basic change. He felt that the approaches to Greece, Yugoslavia and Turkey had been "a desertion of awkward, senseless positions into which Stalin had gotten the USSR. He felt, however, that Moscow would support the East German puppets at all cost, and that there was nothing in its recent notes on Germany to offer any hope to the contrary. He noted that Ulbricht had received the class A, red carpet treatment in Moscow. He saw a parallel policy in the case of North Korea, which he was convinced Russia intended to hold, thus minimizing the chances of a Korean conference.

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9. [redacted] "they are caught in a contradiction; they want no major trouble, which to them means no war, but they are unable or unwilling to give up anything they have. It is a sort of policy of 'peace at no price' -- more or less like our own." He characterized the Kremlin's approach to foreign policy as "puzzled" and sometimes, as in the case of Vychinsky's recent UN speech, as "sterile."

10. He felt that the USSR had a more effective approach to foreign economic policy, now based in general on "trade for trade's sake" without the old emphasis on procuring strategic materials.

11. He said that fiscal policy was causing some speculation, since the new budget cut down on the revenues which would in the past have come in from the turnover tax, the forced state loan, and peasant taxes, without providing any apparent sources to replace them. He said that possibly the "bonus" to agriculture and the consumer had resulted from a radical revision of long-range strategy as a result of nuclear advances which permitted savings in the production of conventional weapons, but added that there was no real evidence of military cutbacks.

12. Turning to the atmosphere in Moscow, he said that the people seem "to have no desire to 'get at' the regime, that they seem to be under less strain; to have some feeling of hope — they have a passionate desire, after all these years, for normalcy and tranquility. And they have a deep-seated fear of war." He added that, with their past memories of burned villages, deportations and reprisals, "they want no revolutions."

13. "You get no impression of a people waiting to rise up," he said, adding that, with the sixth sense they have developed for the true state of affairs, the people would not take kindly to another aggressive war (Finland, a thoroughly unpopular venture, being a case in point) and that such a venture might bring trouble.

14. "Things are beginning to work in the Soviet Union," he said. "The deep freeze of Stalinism is over, and blood is returning to the body. What direction events will take, perhaps not even the men at the top are sure of."

15. He said that in the event the regime was forced to turn back toward the repressions of Stalinism, "pressure would really build up," and that that would be the time for application of the psychological warfare techniques.

25X1A5a1 16. Points made by [REDACTED] in reply to questions or during the course of a conversation in the office of the DCI prior to the discussion, included:

A. He does not overrate the blackmail possibility of the atomic and thermo-nuclear threat, except to the extent that it may be "self-induced" in the United States and especially Western Europe. The Communists are quite casual about human life, but have "very little sense of humor about buildings." The Soviet leadership has despoiled and exploited everything in sight — they admit that they have wrecked their agricultural production and tacitly confess to the damage to the arts and sciences — and have even traduced the political philosophies and doctrines by which they profess to live. The one thing which they have to show for all this is the industrial plant which they have erected, and they have a keen enough appreciation of the

possibilities of atomic retaliation and what this would mean in terms of destruction of their own industry. Yet their ability to shrug off "greater sanctions" would certainly be enhanced by their new atomic capabilities. In other words since "two can play at mass destruction" they can insist that local flare-ups be allowed to progress to their logical end with conventional weapons.

- B. Granted the continued partition of Germany and the full support of the Kremlin for the East German government, Berlin is bound again to become a "hot spot," although [REDACTED] does not anticipate anything as drastic as reimposition of the blockade. He pointed to a passage in a speech by Malenkov crediting the self-discipline of the Red Army with preventing the June 17th riots in Berlin becoming a conflagration, as a possible warning to the East German government that so much tolerance might not be shown if things got out of hand again. He said he felt Russian policy toward Germany was based on the assumption that EDC would go through. He felt the Russians were caught in a terrible dilemma as to whether to seal off Berlin and thereby ruin the policy of detente, or to leave it open as a running wound in the German puppet state. 25X1A5a1
- C. With reference to the Satellites, he urged thorough analysis of "what is making these things happen there — are they developments which could be ironed out if the Soviet Union were given tranquility (in which case we should not permit it to them) or are they something indigenous which would produce more trouble on their own than could ever be caused under outside influence?" He said he considered the latter more likely.
- D. He said he felt that the abandonment of forced industrialization in the Satellites had been caused by the realization — with Russia's own experience in mind — that such a program in an essentially peasant country, relying only on the resources of that country, would of necessity mean the imposition of police terror, with potentially serious results. He added that improved standards of living in the Satellites might also make the populations hard to control, with possibilities of future trouble. He thought that psychological warfare tactics should be studied very carefully, and doubted whether external pressure would do any good at this moment. He said that the recent discussions between American ambassadors abroad had revealed a feeling on the part of those stationed in Western Europe that cleavages among the Western powers might outweigh any advantages gained by too aggressive tactics. The ambassadors to the Satellites had pointed to the danger of fomenting something like the disastrous Warsaw uprising of 1944, and had pointed out that crude pressure tactics usually provided Communist propagandists with a golden opportunity.

E. He said that he felt the Kremlin was still undecided whether to try Beria publicly, and that he was inclined to think the present tendency was against doing so. In this connection he said there had been no real purge, in the old sense of the word, following Beria's disgrace, and that the personnel shifts in the MVD had probably been more administrative ones connected with assuring party control. He classed Beria as a genuine Stalinist who believed that the Soviet Union could only go on in an atmosphere of terror and police repression. (He was asked whether he thought Beria had escaped and replied that he doubted it strongly, but that it was interesting to note that nowhere had the claim been made that he had been arrested. He thought it would be useful to know whether the word "arrested" had been used in connection with those purged in the 30's. A recent study by OCI shows that it was.)

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F. [REDACTED] characterized Malenkov as "smarter than Stalin, particularly in the latter's closing years, and a more dangerous opponent." He pointed out how completely he dominated all others at the meeting of the Supreme Soviet. He said Molotov, a man with no great pretensions to power, probably had grown so used to the state of things under Stalin that he was now unhappy — at any rate "he now has the appearance of a very unhappy man."

G. As to the army he doubts that it is an independent competition for power. It seems to be pleased with developments, particularly the new agricultural policy which is given much space in the military press. Historically Tukachevsky et al got into trouble because they railed at the way the state was antagonizing the peasants and thereby making the army take thoroughly disaffected conscripts.

H. He suggested that the American approach to the Soviet problem was too often characterized by "the substitution of cliché for analysis," adding, "it should always be borne in mind that evolution goes on under a dictatorship just as it does everywhere else, even though it may be a concealed one. That evolution is taking place in the USSR today."

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[REDACTED]
HUNTINGTON D. SHELDON
Assistant Director
Current Intelligence